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C O N F I D E N T I A L SECTION 01 OF 09 SEOUL 000045

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FROM AMBASSADOR VERSHBOW FOR THE SECRETARY, D, P, AND EAP A/S HILL; DOD FOR APSA A/S JIM SHINN; NSC FOR DENNIS WILDER

E.O. 12958: DECL: 01/08/2018

TAGS: PREL PGOV PINS MARR MASS KN KS

SUBJECT: 2020 VISION OF A MORE VIABLE AND STRATEGIC

U.S.-ROK ALLIANCE. PART II: ENGAGING THE LEE ADMINISTRATION

ON A NEW "ALLIED STRATEGIC PARTNERSHIP"

REF: A. SEOUL 00043

1B. PCC GAME PLAN FOR ENGAGING THE ROK PRESIDENT-ELECT

1C. 07 SEOUL 01211

¶D. 07 SEOUL 01215

¶E. 07 SEOUL 01216

Classified By: AMB. ALEXANDER VERSHBOW. REASONS 1.4 (b/d).

- (C) SUMMARY: In our previous message (ref A), we described the impact that changes in and around the Korean Peninsula are having on the U.S.-ROK Alliance and argued that the mission and footprint of our military presence must adapt to meet those changes. We pointed out that while many aspects of this needed transformation are now underway, progress toward implementation is too slow and uncertain. recommended that the Lee Myung-bak Administration be asked to accelerate that process and take the transformation to the next level by adding a more clearly defined global mission to the Alliance's traditional role on the Korean Peninsula. To this end, we should encourage the new team to forge a new vision for the Alliance, and to update our security relationship to an "Allied Strategic Partnership. would make the Alliance more domestically viable, hence more sustainable, while serving our own interests in an enhanced peninsular, regional and strategic posture.
- <u>1</u>2. (C) This message provides Post's specific recommendations for how we could work with the Lee Administration to evolve the alliance to:
- --- become more viable in a domestic political context;
- --- with an updated peninsular mission that encompasses the growing intersection between progress in North Korea policy and the future of the Alliance;

--- fashioned to provide broader justification of the Alliance as a key stabilizing element in the region, while contributing to our larger interests in Northeast Asia;

--- and enhanced by encouraging the ROK to play a larger role in areas of concern and shared, mutual interests around the globe.

We also offer suggestions for potential deliverables for the first summit meeting between the President and Lee Myung-bak, where we should launch the effort to revitalize the Alliance and highlight that the United States is committed for the long haul. END SUMMARY.

CHOICE

¶3. (C) There are three general directions the U.S.-ROK Alliance can go. It can attempt a return to the past, defend the status quo, or transform itself for the future. Some conservative elements in Korea would like to turn back the clock. They dominate the Korean military, see themselves as protectors of the nation, and want to reverse what they see as the misguided policies of the previous two administrations. They wish to slow or reverse the agreement to transfer wartime OPCON and otherwise return the Alliance to its former self. The influence of these "Gray Beards" will increase in the Lee Myung-bak Administration, but not as much as some think. That is because their views do not reflect the majority of South Koreans who actually prefer

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greater self-reliance and respect. The old guard also wrongly assumes the changes made by the progressive movement are fully reversible, when in fact they are not.

- 14. (C) The Roh Administration ostensibly sought to change the Alliance status quo to return more "sovereignty" to the Korean people. While that argument was wrong and misleading, it is the widespread aspiration of a majority of South Koreans that their country have more equal status and responsibility within the Alliance. It would also be a mistake to view the election of Lee as a return of the old guard to power when, in fact, a "New Right" is emerging whose members are less likely than their predecessors to squarely align with U.S. policy positions. A clear example of this was the recent movement by the conservative Grand National Party (GNP) to soften its hard-line stance toward North Korea. While the old guard still holds the view that the Alliance should not change, many of the politicians gaining influence in the party support Alliance transformation. Their views are representative of Korea today, where over 50 percent of the population is now under the age of 30.
- 15. (C) It is therefore more accurate to see the changing political landscape as the emergence of a new generation of Korean nationalists. Right, left and center, they are less interested in adhering to old ways or largely-discredited ideals. What they do favor is greater strength and self-determination for their country. Being pragmatic, they want and know they need a continued alliance with the United States; but they bristle at the thought of permanent junior status in the Alliance and expect more of a say in how we conduct ourselves on their land. While we can expect that Lee Myung-bak will conduct Alliance relations in a more constructive manner, he will need appropriate political cover before moving in our direction on sensitive issues.
- 16. (C) Korea is still a relatively new democracy whose electorate has now swung back and forth across the political spectrum before settling upon a more moderate path. They have decided they do want a continued alliance with the United States, but one based on a more balanced partnership. In short, South Koreans want a continuing but evolving

alliance. Our goal in maintaining forces here is to advance U.S. strategic interests. To do that, however, we must at the same time meet the Koreans' need to make the U.S. military presence more politically viable in their own domestic political context, while shaping our presence on the peninsula to maximize our local, regional and geo-strategic interests. There are three steps we must take to accomplish that: 1) appropriately update the Alliance mission; 2) alter the U.S. military footprint to suit that mission, while supporting our broader security objectives, and; 3) work with the ROKG to explain the new mission and structure to both our publics so as to ensure we have the necessary support to make the Alliance sustainable.

¶7. (C) Defense of the Alliance status quo is another, possible course of action, but one that is ill-advised, for it will become increasingly difficult to protect USFK from the changes taking place around it. Maintenance of the status quo in the face of such change is no longer a politically viable posture, as we have already seen on issues ranging from the custody of U.S. soldiers accused of serious crimes to the call for applying higher environmental standards to our military's use of Korean land. More importantly, a self-limiting policy focused primarily on maintenance of the status quo means that we would miss key

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opportunities for advancing U.S. strategic interests in the region and around the world. There is a better way.

EVOLUTION

- (C) For the first 40 years of its history, deterring the threat of a second North Korean invasion was the clearly understood raison d'etre for the U.S.-ROK Alliance. Over the past ten years, two Korean governments and a majority of the Korean people have, however, significantly reassessed that danger. Even those who take the North Korean threat most seriously don't believe the Kim Jong-il regime would be so suicidal as to attempt an invasion of the South. A decade ago, North Korean frogmen infiltrating ROK beaches and shrill messages broadcast over loudspeakers across the DMZ characterized North-South relations. Today, the loudspeakers have been replaced by transportation corridors, and co-development of tourist destinations more aptly describes the current state of North-South affairs. The building of the Kaesong Industrial Complex in the middle of the main attack corridor was symbolic of that change, and the fact that the October 2006 North Korean nuclear test halted South Korean aid to the North only momentarily indicated that a change in threat perception has firmly taken root in Korean society. Progress in the Six-Party Talks, U.S.-DPRK direct bilateral talks, and North-South cooperation in 2007 have now made it popular to discuss establishment of a peace regime to replace the 1953 Armistice and the creation of a broader Northeast Asian Peace and Security Mechanism (NEAPSM).
- 19. (C) As a result, there is a growing intersection between progress in policy toward North Korea and the future of the Alliance. It is too simplistic to say that positive advancements in the former would necessarily lead to the demise of the latter, but to a certain extent that may very well be the case. As the peace process moves forward, it is important we take commensurate steps to insulate the Alliance from the charge that it is a Cold War relic whose continued existence is an obstacle to peace. That is what DPRK negotiators will strive to achieve and we must deny them that advantage. The raison d'etre for the Alliance may be changing, but it has certainly not disappeared. South Korea may have changed dramatically, but North Korea has not. The threat remains and a continued U.S. presence is needed, come what may. What is also needed, however, it for the mission of the Alliance to encompass that change and to add appropriate regional and global dimensions to it.

¶10. (C) Secretary of Defense Gates called for the creation of a clearer vision for the future of the Alliance during his meeting with the ROK Defense Minister at the 39th Security Consultative Meeting in November 2007. He was not alone in identifying the need for an updated vision of the Alliance. The change in government in Seoul has given rise to much speculation in elite circles here, while back home several "wisemen's groups" have been formed to address the need. In Washington, key Congressional leaders have also demanded clearer justification for why they should vote to fund military construction to normalize the U.S. presence on the Korean Peninsula for decades to come. The following recommendation is our response and input to that important challenge.

A MORE VIABLE, ALLIED STRATEGIC PARTNERSHIP

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111. (C) Should the U.S.-ROK Alliance continue and evolve? Absolutely, but evolve into what? For what purpose? More importantly: Why is a redirected and reconfigured but continuing Alliance in the U.S. interest? Here are some answers.

An Allied Strategic Partnership

112. (C) First, a new upgraded Alliance must be given a label that defines it. What the ROK wants most is to have more of a say in things. For reasons having to do with Korean history and nationalism, they desire a true partnership. What we want most is a more committed regional and global partner; an arrangement that gives us the strategic flexibility we need while providing the assistance we require to tackle problems around the world. In a word, we desire a more strategic relationship. The phrase "Allied Strategic Partnership" therefore captures both their primary goal as well as our own, and would therefore appeal to both our publics.

Updated Peninsular Mission

13. (C) Next, a new Allied Strategic Partnership needs an appropriate mission. Deterring North Korean aggression, while fostering U.S.-ROK friendship and economic ties, are essential missions that should continue. However, what has become clear to both our governments in recent years is that maintenance of the status quo is not the final mission of this great Alliance. Rather, its next mission should be to support and advance the path to a true and lasting peace, and to ensure that this evolution takes place on satisfactory terms that meet the vital interests of both our nations. To paraphrase Assistant Secretary of Defense for Asia-Pacific Security Affairs Jim Shinn, the proper role for the Alliance is to help "enable and validate" the peace process, rather than allowing it to be portrayed as an "obstacle to or a drag upon" reaching a peace agreement to replace the 1953 Armistice.

Key Regional Stabilizer

114. (C) Beyond securing our interests on the Korean Peninsula, the maintenance of a U.S. military presence on the Northeast Asian mainland, in concert with our strong security alliance with Japan, serves our broader regional goals. As implied by its name, a new Allied Strategic Partnership would do more than simply ensure continued peace on the peninsula. The presence of U.S. forces in Korea also serves an important stabilizing role in the Northeast Asian region. We should reiterate that our presence is also beneficial to the ROK's

relationships with neighboring China and Japan. Deep-seated historical animosities, territorial disputes, troubling military build-ups, and keen competition for energy and economic markets have all contributed to uneasy relations in the region. These factors, along with others, have caused a significant alteration of South Korean threat perceptions, explained in a recent series of embassy cables (reftels C, D and E). While those countries must ultimately resolve their problems among themselves, the U.S. presence helps to reassure South Korea that Japan is unlikely to engage in conflict with them. Likewise, the presence of U.S. forces in

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Japan has helped to reassure Tokyo in ways that may have kept it from over-reacting to the North Korean missile that overflew Japanese airspace, or the Chinese submarine that transited its territorial waters. Understanding that they are shielded by our nuclear umbrella may also help to keep the Japanese from going down the path of becoming a nuclear power on their own.

(C) Would they fight each other, or end up in hostilities with China if we weren't here? That may be highly unlikely, but is still too dangerous a question to put to the test. One thing is certain: a rising China (North Korea's closest ally) would find it easier to extend its growing political, economic and military influence over the peninsula if we were no longer present in Korea. We should remind the ROK that Chinese ambitions do not end with their desire to regain control of Taiwan. We should encourage Japan and the ROK to buy more stock in proven American $\,$ support, rather than getting too close to a behemoth whose rising influence they may well come to resent, as many Koreans already have over the Koguryo history dispute in 12004. We would do well to point out that our continued presence will help steer China toward responsible policies while encouraging Japan-ROK cooperation. Even if the future of the region is marked, as we all hope, by peace over conflict, the Alliance could continue to be of service, much as NATO continues to provide a valuable foundation for European security, stability and integration long after the end of the Cold War.

Enhanced Global Role

- 116. (C) Importantly, a new U.S.-ROK Allied Strategic Partnership would serve to build up the global role we have encouraged South Koreans to play in the world. The ROK has maintained a troop presence in Iraq which at one time stood as the third largest allied contribution (3,000 soldiers). They also sent several hundred troops to Afghanistan, and contributed 350 to UNIFIL. This was a good start that had a positive appeal to Korean pride while also aiding U.S. interests. This year, however, the number of Korean troops in Iraq will decline to no more than 600 and the ROK has already withdrawn all of its troops from Afghanistan. If it desires to do so, our South Korean allies can do much better than that, as they have in the past when they fought beside us in Vietnam and later participated in UN peacekeeping operations. We should encourage them to do more, for they will do it well. Offering the Lee Myung-bak Administration a true strategic partnership with us would appeal to Korea's proud aspiration to become a more important country in the world. To begin with, after the new team has settled into office, we could use that to encourage the Lee Administration to consider leading a PRT in Afghanistan, or even contributing combat forces to the NATO-led coalition there.
- (C) Growing a greater strategic partnership with South <u>¶</u>17. Korea is an exciting prospect as there are many new dimensions to explore. Perhaps one day we will do more together off-peninsula than we currently do on it. Many of the problems we face are global and to tackle them we would benefit from ROK assistance. Energy needs, environmental concerns, health issues, fighting transnational crime are

just a few examples.

--- Utilizing Korea's well-known capacity for construction to build-up the Middle East and South and Central Asian

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countries could go a long way to defeating the development problems that often give rise to Islamic fundamentalism.

- --- Harnessing Korea's comparative advantage in ship-building as a contribution to the Alliance is another, as yet unexplored, area for security cooperation.
- --- Encouraging the ROK to expand its cooperation with NATO, as well as with other security-related groupings, such as the new Japan-Australia-U.S. Security and Defense Cooperation Forum (SDCF), should also be vigorously pursued. A good place to begin would be to revive the U.S.-Japan-ROK Trilateral Coordination Group (TCOG).
- --- Securing enhanced commitments from the ROK to combat the proliferation of weapons of mass destruction by signing onto the Proliferation Security Initiative (PSI) and urging Korea to partner with us on missile defense are other possibilities.
- --- Finally, with Korean diplomat Ban Ki-moon now serving as UN Secretary General, there is an increased impetus for the ROK to take on more peacekeeping missions around the world, such as they have done by dispatching peacekeepers to UNIFIL, or by supplying helicopters needed in Sudan, which we have most recently encouraged.

IN THE U.S. INTEREST

- 118. (C) Would such an enhanced alliance, and the continued overseas presence of U.S. troops that it would entail, be in America's interest? Absolutely. For reasons of power projection, deterrence, trade promotion and humanitarian concerns, it remains keenly in our interest to maintain a strong alliance with the Republic of Korea.
- --- In the face of the rise in power of the People's Republic of China, it would be foolish to withdraw the only U.S. troop presence we have on the Asian mainland.
- --- The continued deterrence of North Korean military ambition is more important than ever given the DPRK's apparent nuclear capability. Furthermore, the North's military threat won't be eliminated overnight, even if the Six-Party Talks succeed.
- --- Our presence may also help us to leverage the ROKG to support us militarily when we need help in addressing future challenges. Importantly, the ROK has fewer political and constitutional constraints than Japan on the dispatch of its own troops abroad. Our mutual understanding with the ROK on the strategic flexibility of U.S. forces stationed here indicates that South Korea accepts both the regional focus and global availability that we desire as the basis for our future military presence in Korea.
- --- Trade could continue without the Alliance, but bilateral trade relations are enhanced by the military bond we share. South Korea is our seventh largest trading partner. Our trade relations with Korea are more balanced than with any other major Asian economy, and will be further strengthened by the KORUS FTA. A continuing alliance underpins the stability of our economic ties and ensures senior-level ROKG attention to resolving frictions that arise (something our European and Japanese competitors do not enjoy).

- --- On a regional level, our strong military alliance strengthens the position of those within Korea who want to resist China's call to construct pan-Asian economic groupings that exclude the United States.
- --- Korea is the second largest U.S. Foreign Military Sales customer in the world. Interoperability has been a key selling point for convincing the ROK to buy American-made weapons systems. A continuing alliance helps ensure that in an ever more competitive marketplace, the South Korean military will continue to be one of our best customers.
- --- Most importantly, we want to complete our effort to encourage democracy, freedom and human rights in the region. Our presence in the region has helped promote the growth of democracies in Northeast Asia, but we have yet to succeed in promoting democratization in North Korea, China and Mongolia. Now is not the time to cede the high ground to "capitalism with Chinese characteristics."

IN SOUTH KOREA'S INTEREST

- 119. (C) To remain viable and sustainable, the Alliance must also be viewed as being in the clear and defensible interest of the host nation. So we must ask if it is truly in South Korea's interest to have a continued U.S. military presence on its territory and to broaden the mission of the Alliance to encompass regional and global threats. Again the answer is yes. It remains firmly in the ROK's interest for the following reasons.
- --- Maintenance of stability in the region is essential for further ROK economic growth.
- --- Continued deterrence of the DPRK military threat remains critical to South Korea's survival, and the presence of U.S. troops (even after denuclearization of the North) will help to ensure continued peace while deterring any new threat that may arise, such as if rapid expansion of Chinese military power should head in a troubling direction.
- --- In the meantime, the ROK needs our help in bringing about denuclearization of the North, something they know they cannot accomplish on their own. Ultimately, they know they will need our assistance to cope with the strains that will accompany unification, whether it occurs through war, collapse or peaceful but most likely prolonged integration. And if all the future holds is the further status quo division of Korea, the U.S. presence will continue to be important, especially for as long as the status quo includes a nuclear DPRK.
- --- Regardless, South Korea wants U.S. help to better arm its own military, for Koreans are determined to stand up to the large powers around them and desire to be treated as a more equal partner with the capability of being more assertive and respected on the world stage. At the same time, Korea can and does pride itself on its special relationship with the world's only true superpower.
- --- Finally, we should remind our ally that we appreciate their standing with us in Vietnam and helping us in Iraq and Afghanistan, but that our Congress will be even more favorably impressed by an ally that steps up and shoulders more of the burden, supports our agenda in the region, and

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punches above its weight globally.

COMMENT ON DELIVERABLES FOR FIRST SUMMIT WITH LEE MYUNG-BAK

- ¶20. (C) The obituary for the U.S.-ROK Alliance was prematurely written in the first years of the Roh Administration. With the GNP's return to power, the prospects for restoration of the Alliance are also likely to be somewhat overblown. Political pendulums are poor indicators of direction. It is better to identify fundamental interests and to watch for and adjust to broader evolutionary change. The case for continuation of the Alliance is clear. The transformation begun under the Roh Administration, and the progress made over the past year in particular, provide a firm foundation for what we would like to achieve. The change to the Lee Administration now offers a golden opportunity to define a clearer vision of an Allied Strategic Partnership that is truly global in scope, while continuing to serve as an anchor of stability in the region.
- 121. (C) The Embassy fully supports the inter-agency Game Plan for Engaging the ROK President-Elect (ref B). We think the key elements to pursue as deliverables for Lee Myung-bak's first summit meeting with the President should include:
- --- a joint declaration in which the two presidents rededicate themselves to a transformed alliance based on global partnership;
- --- the launch of a new "vision study" to fully define the greater mission of that new strategic partnership;
- --- a statement of firm commitment to accelerate Alliance transformation (YRP, LPP) and to complete the transition of wartime OPCON on schedule;
- --- a commitment to negotiate a five-year burden-sharing agreement that moves to a 50-50 split in non-personnel stationing costs; and
- --- a halt in the U.S. drawdown of troops on the peninsula, together with a reaffirmation of our strong commitment to the defense of South Korea through continued close military planning/exercising even after OPCON transition is complete.
- ¶22. (C) With regard to the last point, we believe that freezing U.S. military forces in Korea at roughly their current level (28,000-28,500 servicemembers), rather than drawing down to 25,000 as currently agreed would send an important message about the durability of our commitment to Korean security and thereby provide the necessary political cover for President Lee to drop any plans to renegotiate the timetable for implementation of the transition of wartime OPCON in 2012. This message would be further strengthened by normalizing tours of duty as General Bell, the USFK Commander, has strongly advocated, with U.S. troops serving three-year tours, with their families, as in Europe and Japan. Maintaining that troop level would also retain important U.S. capabilities on the Korean Peninsula that are key to our wider strategic objectives in the region. These steps together with strong messages by the two presidents on North Korea, the FTA and South Korea's entry into the Visa Waiver Program would demonstrate that the relationship is truly entering a new era.

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123. (C) There will always be wild cards in play, but those uncertainties are precisely why 70 percent of South Koreans still value our Alliance and our military presence. While that presence is desired, however, it is not desired at any cost. The footprint of our forces must be seen as appropriate by the Korean people, and the mission of our Alliance must be seen as serving both countries' interests, now and in the future. This message makes the case for updating the Alliance to meet those requirements and to make it a more significant factor for peace and security in Northeast Asia and beyond. Broadening the Alliance's traditional mission from deterring war to consolidating peace

on the Korean Peninsula, and expanding its regional and global role, would help to both strengthen our security arrangements in Northeast Asia and cement U.S.-Korea relations for years to come. Setting that direction would be a great achievement of the current U.S. Administration, a great start for the new ROK Administration, and the right thing to do for the future of Koreans and Americans alike. VERSHBOW